Government of Saskatchewan

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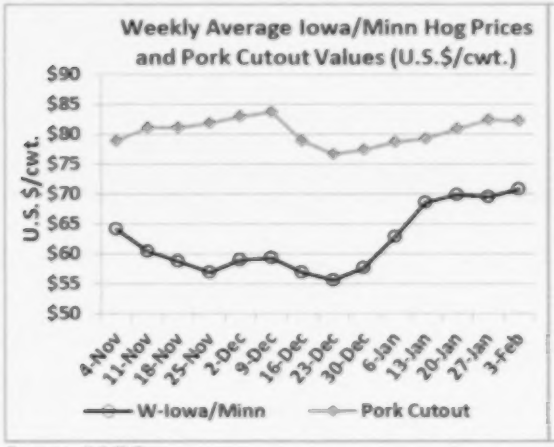
Weekly Hog Report

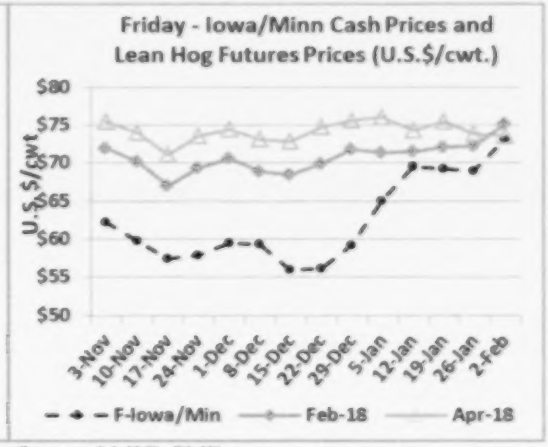
February 5, 2018

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (Iowa/Minn) edged higher later in the week to help prices move higher, week-over-week. Hog prices on Friday February 2 averaged US$73.07 per cwt, up 6.1 per cent or US$4.18 per cwt from US$68.89 per cwt the previous Friday. The negotiated weekly base price last week averaged US$70.74 per cwt, up 1.8 per cent or US$1.24 per cwt from US$69.50 per cwt the previous week.



Source: LMIC



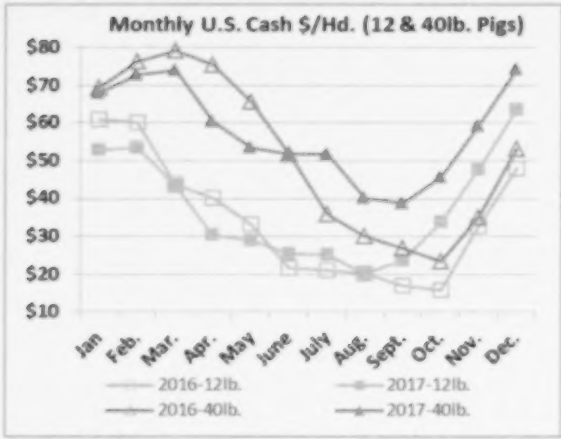
Source: LMIC, CME

Futures Markets

United States lean hog futures daily prices were mixed last week with prices ending the week mixed, week-over-week. The nearby February contract increased US$2.925 per cwt to settle last Friday at US$75.200 per cwt; while the April 2018 contract declined slightly (US$0.250 per cwt) to settle last Friday at US$73.550 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices edged higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$71.62 per head, up US$0.36 per head or 0.5 per cent from US$71.26 per head the previous week. Feeders (40lb) averaged US$88.61 per head, up US$2.32 per cwt or 2.7 per cent from US$86.29 per head, the previous week.

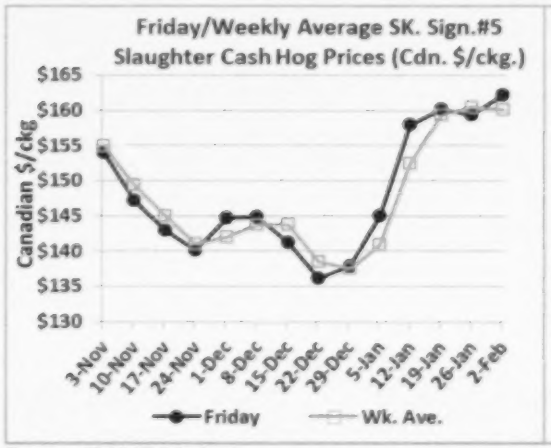


Source: LMIC

Source: USDA

Canadian Hog Markets

In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday February 2, 2018 was $162.24 per ckg, up $2.87 per ckg from $159.37 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $160.13 per ckg the week ending February 2, 2018; down slightly from the previous weeks' average price of $160.45 per ckg. The Canadian dollar compared to the U.S. dollar settled last Friday at 80.78 cents, down 0.38 cents from 81.16 cents the previous Friday.



Source: HAMS Marketing

Source: Est. based on weekly prices HAMS

Canadian Hog Slaughter

In Canada, federal and provincial hog slaughter numbers for the week ending January 27, 2018 were estimated at 444,843 head, down 2.3 per cent from 455,466 head the previous week, but up 2.4 per cent from 434,398 head the same week a year ago. Canadian hog slaughter numbers over the last eight weeks averaged 404,768 head, up slightly 404,706 head over the same period a year ago. Year-to-date for the first four weeks of 2018, Canadian hog slaughter numbers totaled 1,661,884 head, down 3.1 per cent from 1,715,685 head the same period a year ago. (Source: AAFC/CFIA)

United States Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending February 3 were estimated at 2.438 million head, up 2.9 per cent from 2.370 million head the previous week, and up 4.8 per cent from 2.327 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last eight weeks have averaged 2.355 million head, up 3.3 per cent from 2.280 million head over the same period a year ago.

Meat Production

U.S. pork production for the week ending February 3, 2018 was estimated at 521.9 million lb., up 3.0 per cent from 506.9 million lb. the previous week, and up 5.6 per cent from 494.0 million lb. the same week a year ago. Pork production over the last eight week's ending February 3 was estimated to average 503.5 million lb., up 4.1 per cent from 483.5 million lb. over the same eight week period a year ago.

U.S. beef production for the week ending February 3, 2018 was estimated at 522.0 million lb., up 6.5 per cent from 490.3 million lb. the previous week, and up 6.7 per cent from 489.3 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending January 27, 2018, was estimated to average 2.062 billion lb., down 0.8 per cent from 2.078 billion lb. over the same four weeks a year ago. Based on the weekly production numbers for the first four weeks of 2018 meat production is down 0.8 per cent compared to the same four weeks in 2017. There were bigger declines in chicken production than increases in pork and beef production.

United States Weekly Meat Production

(Jan.27) Four Week Average - Million Lb.			Percent Change	
	2016/17	2017/18	4 Week	YTD -2018
Pork	488.7	495.7	1.4%	1.4%
Beef	475.5	489.7	3.0%	3.0%
Chicken	982.9	944.2	-3.9%	-3.9%
Turkey	130.7	132.4	1.3%	1.3%
Total	**2,077.7**	**2,062.0**	**-0.76%**	**-0.76%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending February 3, 2018 averaged US$82.31 per cwt, down slightly from US$82.43 per cwt the previous week; and down 1.7 per cent from US$83.72 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending February 3, 2018 averaged US$209.51 per cwt over the week, up US$2.81 per cwt or 1.4 per cent from US$206.70 per cwt the previous week, and up 8.6 per cent from US$192.88 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending February 3 averaged US$107.45 per cwt, up US$0.33 per cwt from US$107.12 per cwt the previous week, and up 3.0 per cent from US$104.36 per cwt the same week a year ago.

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